

ORDINANCE NUMBER 1648

AN ORDINANCE OF THE CITY OF MILWAUKIE, OREGON, AMENDING ORDINANCE NUMBERS 1437 AND 1438, BY REDESIGNATING A CERTAIN PROPERTY FROM INDUSTRIAL TO COMMERCIAL COMPREHENSIVE PLAN DESIGNATIONS (CPA-88-01).

WHEREAS, a Comprehensive Plan Map Amendment for this property was considered at public hearings before the Planning Commission on June 28, July 12, and 26, 1988, and City Council on August 16, 1988, and

WHEREAS, the City Council finds that the applications should be approved based on the findings listed below,

NOW THEREFORE, THE CITY OF MILWAUKIE DOES ORDAIN AS FOLLOWS:

Section 1. Findings. The following findings of fact and conclusions are adopted:

1. The current Comprehensive Plan Map designation for subject property is Industrial.
2. The area involved is identified on Map Exhibit "A".
3. This proposal is to change the Comprehensive Plan Map designation for subject property to Commercial.
4. Comprehensive Plan Map Amendment criteria are addressed as follows:

**A. Conformance with the Comprehensive Plan goals, policies, and spirit:**

- 1) Open Spaces, Scenic and Historic Areas, and Natural Resources Element.

There are currently no designated open spaces, scenic and historic areas, or natural resources on the subject property. The Comprehensive Plan's Natural Features Map also does not designate the site as a Significant Natural Area.

The U.S. Army Corps of Engineers has identified wetlands in this area and may require a wetlands permit to be administered by the Corps and the Oregon Division of State Lands. The City's Comprehensive Plan Review Committee has prepared a natural resources inventory as part of the Comprehensive Plan Periodic Review process which also indicates the presence of wetlands on this site. Therefore, the Applicant will coordinate with the City while obtaining the State and Federal wetlands permit and approval, if required.

2) Economic Base and Industrial/Commercial Land Use Element

Policy: The City will ensure that there is adequate land available with public services provided to meet the need for economic growth and development (Objective #1, Policy 1).

Response: The proposed Plan Amendment and Zone Change will add land to the City's inventory of commercial land. Based upon the projections presented in the Applicant's Submittal, there is a deficit of commercial land within the City that ranges between 5.4 and 6.8 acres. The proposal would add 2.1 acres to the City's supply of Commercial land. This 2.1 acres will be provided with full public services and developed for specific uses already proposed.

Granted, this will reduce the stock of vacant industrial land by 2.1 acres, however, this 2.1 acres has not been marketable for several years for industrial purposes. Once the Milwaukie Marketplace Shopping Center is developed, the 2.1 acre piece may become more marketable for commercial uses. Both commercial and industrial uses comply with the economic growth provisions of Objective 1.

Policy: The City will ensure that public services now serving industrial areas are adequately maintained to serve industrial needs. Public services and facilities will be upgraded as necessary (Objective #1, Policy 5).

Response: The Applicant's frontage along 37th Avenue will be improved upon development, upgrading that roadway to minor arterial standards. Interim improvements will be provided to the intersection of Hwy. 224 and 37th Avenue. The Applicant will participate in the funding of these improvements. An new road may be constructed to connect International Way to 37th Avenue. On the north side of Applicant's property. This improvement will occur as the property develops and as funding sources become available. Improvements to water, sanitary sewer, and storm drainage will be coordinated as necessary with the City. The Applicant's participation in improving the area's public facilities and services, particularly the street system, is consistent with the above policy.

Policy: The City will encourage new and existing industries, businesses, and employment centers that will provide primary, head of household jobs as well as opportunities for second income sources within households. (Objective #2, Policy 3).

Response: Shurgard (the developer) has two options for development of the site, a self-storage business and/or retail/commercial. If the retail/commercial only option is pursued, 16,500 square ft. is expected to support approximately 33 jobs, based upon Metro's employment ratio of 2 employees/1000 square ft. (personal communication by Applicant with Bob Knight, Metro, 4/14/88). The self-storage business would support approximately 4 jobs. Therefore, the job estimate could range from 4 to 33 jobs for this 2.1 acre site.

Additionally, a 2.7-acre portion of the Applicant's property not a part of this proposal will be developed with approximately 30,000 square feet of industrial uses. Using Metro's mid- and high-range ratios of 1.2 and 3.25 employees per 1,000 square feet of industrial parcel would support a range of 36-98 jobs.

Both the self-storage and retail commercial components are expected to provide a mix of primary and second income jobs. The employment provided on the retail portion of the site will depend upon the specific use. An auto-care center, for example, would provide both primary and secondary income jobs. A retail store would provide mainly secondary income jobs.

### 3) Transportation Element

Policy: The City's goal is to provide and encourage a safe, convenient and economic transportation system by providing easy access within the City and to the major transportation networks connecting to the City...(Excerpt from Transportation Goal Statement).

Response: A transportation impact analysis has been prepared and submitted to the City under separate cover. The analysis concludes that the proposed development of the subject property will not adversely affect the traffic safety characteristics of the surrounding street

system. (Traffic Analysis, page 15 and 33). Due to the eventual relocation of International Way, the analysis further concludes that "the development of the site will likely improve the safety characteristics of the surrounding street system" (page 15). The above conclusions and supporting transportation impact analysis demonstrate compliance with City's transportation goal.

4) Public Facilities and Services Element

Policy: Public Facilities and services will be adequately provided and maintained to meet the needs of industrial and business areas within the City.

Response: City Public Works, Police, and Fire Departments and the Oregon Department of Transportation were contacted for comments regarding adequacy of the above facilities and services. Their comments are attached as Exhibits B, C, D, and E and indicate public facilities adequacy can be provided through assignments of conditions.

Policy: Public facilities and services will be developed and improved to encourage the location of new industries and businesses within the City.

Response: The Applicant will participate in the improvement of their frontage on 37th Avenue, and to the intersection of 37th Avenue, International Way, and Hwy. 224. The Applicant will also coordinate improvements to water, sewer, and storm drainage with the City. The Applicant's participation in the improvements to the facilities and services serving the site will encourage the industrial and business location intended in the above policy.

5) The following elements of this Comprehensive Plan have been reviewed and are considered not applicable to this proposal.

a. Natural Hazards Element, because there is not floodplain, hazardous seismic conditions, or unresolvable soil conditions on site.

b. Agricultural and Forest Lands Element, because there are no economically feasible agricultural or forestry lands present.

- c. Air, Water, and Land Resources Quality Element, because applicable federal and state air, noise, and water quality standards are normally identified when applications for building permits are filed.
- d. Residential Land Use and Housing Element, because no residential land or housing is involved in the proposal.
- e. Recreational Needs Element, because this is not a residential area. However, the Applicant is encouraged to provide green areas in keeping with other developments along International Way.
- f. Willamette Greenway Element, because the Greenway does not include the site.
- g. Neighborhood Element, because this element is oriented to residential issues and objectives.
- h. Energy Conservation Element, because no energy issues or impacts are affected.
- i. City Growth and Governmental Relations Element, because no annexations are proposed.

**B. Public need for the Change**

The public need for the requested Plan Amendment and Zone Change has been evaluated from two perspectives:

- 1. Market need for the proposed self-storage use; and
- 2. Community need for additional General Commercial land.

**1) Market Need**

Shurgard, (the proposed developer), has evaluated the market supply and demand for self-storage within the 3 and 5 mile market area surrounding the subject property (See Appendix C of the Applicant's submittal). Following is a summary of the analysis:

	<u>3-mile market</u>	<u>5-mile market</u>
Competitive Stores	3	10
Total Supply	158,000 s.f.	373,000 s.f.

	<u>3-mile market</u>	<u>5-mile market</u>
Population	94,000	240,000
Household Demand (@ 2 s.f. per capita)	188,000 s.f.	480,000 s.f.
Business Demand (@ 20% of household)	<u>38,000 s.f.</u>	<u>96,000 s.f.</u>
Total Demand	226,000 s.f.	576,000 s.f.
Space Shortage	68,000 s.f.	203,000 s.f.

The analysis suggests that there is a demand for approximately 68,000 square feet of self-storage in the three-mile market area and 203,000 square feet in the five-mile market area surrounding the site. This is considered a conservative estimate by the Applicant because the general storage area per capita rate of 2.0 square feet per capita is at the lower end of the national average range of 2 to 4 square feet per capita. Similarly, business demand ranges from 20% to 100% of household demand, but a 20% value is used to provide a conservative estimate.

The intent of this analysis is to demonstrate present day demand for additional self-storage in the market area. Residential and business growth in the market area could generate additional demand.

2) Community Need for General Commercial Land

Commercial land need was projected by the Applicant by calculating the City's current ratio of developed commercial acreage to population in the year 2005. This method is considered suitable when working with relatively small amounts of population growth and land.

The City's inventory of developed commercially designated land is as follows:

Total Commercial Land	139 acres
Less Sewerage Treatment Plant	( 9)
Less Land Designated Commercial High Density	(40)
Vacant	<u>( 4)</u>
Total Developed Commercial Land	86 acres

The current population is 18,500, therefore the City has a current commercial land ratio of 4.7 acres per 1000 population. The projected year 2005 population is 20,300, for a net increase of 1800 persons between 1988 and 2005. Applying the current ratio 4.7 acres per 1000 population, yields a gross need for 8.5 acres to accommodate growth to the year 2005. The gross need of 8.5 acres minus the 4.0 acres of existing vacant commercial land results in a net deficit of 4.5 acres of commercial land.

The above projection of commercial land need assumes that the present ratio of 4.5 developed commercial acres per 1000 population will be continued to the year 2005. The choice of a preferred ratio for planning purposes is entirely a local judgement. The Oregon statewide planning program does not recommend specific ratios and there is no consensus among professional planners regarding appropriate land to population ratios. According to Clackamas County, in 1985, the East Urban Area of Clackamas County had an overall ratio of 7.1, Gladstone had a ratio of 6.1, and Oregon City had a ratio of 12.9. These ratios indicate that Milwaukie is already at a lower ratio than the surrounding area, and therefore it is reasonable to use the current 4.5 acres/1000 population as the basis for the projections.

Based on the above, Milwaukie has an identifiable need for more Commercial land. The estimated 4.5 acres is considered a minimum need because it does not include additional land to provide choice in the commercial land market.

In addition to the above, two relevant documents were provided to the Planning Commission as part of their July 7, 1988, Periodic Review work session. These are the Economic Base Analysis (dated May 19, 1988) and a discussion document entitled "Economic Base and Industrial/Commercial Land Use Element" (dated September 1987). Of the two, the Economic Base Analysis provides the most up-to-date discussion and recommendations of the Comprehensive Plan Review Committee regarding industrial/commercial land needs.

Currently there are 22 acres of vacant commercial land within the City. Only 2 of these acres are uncommitted. Overall, there are 5.4 acres of commercial lands per 1,000 population. This is slightly below a 6.5 acre per 1,000 population figure average for other Clackamas County Cities. Page 4 of the Economic Base Analysis indicates a 5 to 7 acre need for commercial land.

Regarding industrial land needs, Page 6 indicates there is a slight surplus of industrial land to meet projected employment needs for the year 2005. Recommendation 2 on page 7 states "If any additional lands for commercial uses outside existing designations are deemed necessary, total acreage should not exceed 4 to 5 acres. Existing acreage is adequate to accommodate projected needs but does not provide a market factor."

In comparison, the Applicant's and CPRC's figures are close. The Applicant identified a new commercial land need of 5.4 to 6.8 acres (Page 23a of Applicant's Submittal). Though obtained via different technique, this figure is comparable to the 4 to 5 acre need figure of the CPRC.

The closeness of the acres needed figures tends to substantiate the methodology used both by the Applicant and the CPRC, therefore supporting the Applicant's contention.

**C. Public Need Best Satisfied by Requested Change**

The Commercial land need described above is only partially fulfilled by the proposed Plan Amendment and Zone Change. The City's overall need for Commercial land is best satisfied with properties which have good locational and physical characteristics, and are also available for development.

This property has direct access from Highway 224 due to the existing signals at the intersection of Highway 224, S.E. 37th Avenue and the present alignment of International Way. Access is also good to the neighborhood on the north via S.E. 37th Avenue. The proposed commercial uses have been planned with frontage on S.E. 37th Avenue. The proposed commercial uses have been planned with frontage on S.E. 37th to gain the highest degree of visibility. Following development of the shopping center east of the site, the proposed commercial uses will have high visibility to the customer traffic going to and from the shopping center. The orientation of the commercial uses toward S.E. 37th will also minimize conflicts with industrial uses to the east.

The proximity of the neighborhoods to the north, the Omark & Freeman Industrial area, and the Milwaukie Marketplace shopping center will provide a customer base for Shurgard. Shurgard's market analysis indicates that residential areas to the north are underserved by existing self-storage facilities in the area. The central location with respect to the neighborhood and potential business customers is desirable by Shurgard.



The property is available for development, as demonstrated by Shurgard's interest in the property. Based on the locational characteristics and the availability of the property, it is concluded that the public need for commercial land can be satisfied by the requested change.

Not including the sewage treatment plant, boat ramps and Milwaukie Marketplace sites, there are only 4 acres of vacant Commercial land in the City based on City Staff inventories. The parcel sizes are 2.35 acres, .16 acre, .16 acre, and 1.37 acres. Only the 2.35 acre parcel is close to the area and locational requirements for the proposed uses, but the site is committed to a development by State Farm Insurance Co. Therefore, it is concluded that alternative vacant properties are not available for the proposed uses.

The Applicant's Submittal has not addressed the issue of the conversion of industrial lands to commercial. The Economic Base and Industrial/Commercial Land Use Element of the Comprehensive Plan addresses both industrial and commercial land uses. The Comprehensive Plan does not favor industrial over commercial uses, but encourages both use types provided economic development activity increases (from Objective 1) and a variety of employment opportunities are provided (from Objective 2). Finding 1.A.2) favorably addresses these objectives.

Similarly, considering the proposed Milwaukie Marketplace Shopping Center development west of 37th Avenue, it is common for new commercial developments to locate around the periphery of Community shopping centers. Such development tends to compliment each other, utilizing common markets. This is the intent of the Applicant. The proposal for commercial use is also compatible with adjacent commercial/industrial use designations.

#### **D. Affects to Health, Safety, and General Welfare**

To evaluate the general affects of the proposed Plan Amendment and Zone Change on the public's health, safety, and general welfare, it is useful to evaluate specific impacts of the proposal. The following is a summary of the impacts as related to traffic, noise, utilities, employment, and land use compatibility.

##### **1) Traffic**

A traffic analysis has been prepared to address the impacts of the proposed Plan Amendment and Zone Change on trip generation and traffic safety. In summary, the analysis concludes the proposed land uses, site design, and adjacent traffic improvements will result in no

adverse impact on the surrounding street system. The upgrading of the frontage along 37th Avenue and the intersection of 37th, International Way, and Hwy. 224 are the primary road improvements which will assist traffic flow in the area. In addition, a single access from S.E. 37th Avenue has been designed to minimize turning movements from the site in relation to the intersection of S.E. 37th and Hwy. 224. Interim improvements to the existing intersection can improve the intersection operations to an acceptable level.

2) Noise

Proposed commercial/retail uses allowed by C-G are not expected to generate high levels of noise. The primary noise source will be truck traffic, which will be a level lower than that, expected if the entire property were developed for industrial uses. All uses will be fully enclosed to limit noise. Uses on the Industrial parcel of the property will be subject to Criterion 1(d) in the Industrial Zone which states that uses: "May produce small amounts of noise, dust, vibration or glare, but may not produce off-site impacts that create a nuisance, as defined by D.E.Q. and the City Noise Ordinance.

There are no noise sensitive land uses such as residences, hospitals or schools adjacent to the subject property. The adjacent uses are industrial, commercial, and open space (wetlands). Following construction of the realigned International Way or extension of 40th Avenue, the property will be completely surrounded by public roads which will buffer the noise.

3) Utilities

Existing and proposed utilities are illustrated on Page 10 of the Applicant's Submittal. These water, sanitary sewer and storm drainage lines have been engineered to serve industrial uses on the subject property. The proposed commercial designations, are expected to place less demand on utilities than would industrial uses, particularly water consumptive manufacturing. According to Public Works, the existing and planned utilities are adequate to serve the proposed Commercial designations (see Exhibit D).

4) Employment

As described above, the Commercial designation could support an estimated 33 jobs. The 2.1 acre Commercial parcel will therefore support a ratio of 15.7 employees per acre. In addition, an estimated 36-98 additional jobs

will be supported on the Industrial portion of the site, for a total of 69-131 jobs.

5) Land Use Compatibility

As illustrated on Page 9 - Existing Land Use within the Applicant's Submittal, the site is east of and across S.E. 37th Avenue from the proposed Milwaukie Market Place shopping center. To the west and south is the Omark Industrial Area. The site's location between the shopping center and the industrial area may be characterized as a transition area between commercial and industrial uses. By locating retail uses along S.E. 37th Avenue and industrial uses along International Way, there will be no commercial traffic, activity or development character which is oriented toward the Omark & Freeman Industrial areas.

5. Subject property is also proposed for a rezoning from Manufacturing (M) to General Commercial (C-G) by separate request (ZC-88-01).
6. Approval of ZC-88-01 is contingent upon approval of CPA-88-01 since the proposed C-G Zone only conforms to the proposed Commercial Plan designation.

CONCLUSIONS:

1. The Comprehensive Plan Map Amendment proposed to the Commercial designation conforms with the goals, policies, and spirit of the Comprehensive Plan.
2. Public need is met by this proposal.
3. Public need is best satisfied by this particular request.
4. This request will have not adverse effects on the health, safety, and welfare of the community and will result in significant traffic improvements for the area.
5. Conditions need to be applied to ensure the traffic improvements indicated are, in fact, provided.

Section 2. Conditions of Approval. Failure to meet conditions 1.a. and b. below will invalidate this action, and the Comprehensive Plan Map and zoning designations shall remain the same as the surrounding industrial zoning.


1. Prior to occupancy or within two years of the approvals for CPA-88-01 and ZC-88-01, whichever occurs first, the Applicant shall:
  - a. Participate in providing interim improvements to the intersection of Hwy. 224/37th Avenue/International Way to the satisfaction of ODOT (State Highway Division) and City Public Works. The share of the Applicant's participation will be negotiated by the City, Applicant, and other developers involved.

Section 3. Plan Map Amendment. Figure 6 of Ordinance Number 1437 is amended by changing the Land Use Plan Map designation for subject property as depicted on Map Exhibit "A" (attached) from Industrial to Commercial.

Read the first time on August 16, 1988, and moved to second reading by  
4 - 1 vote of the City Council.

Read the second time and adopted by the City Council on September 6, 1988.


Signed by the Mayor on September 6, 1988.

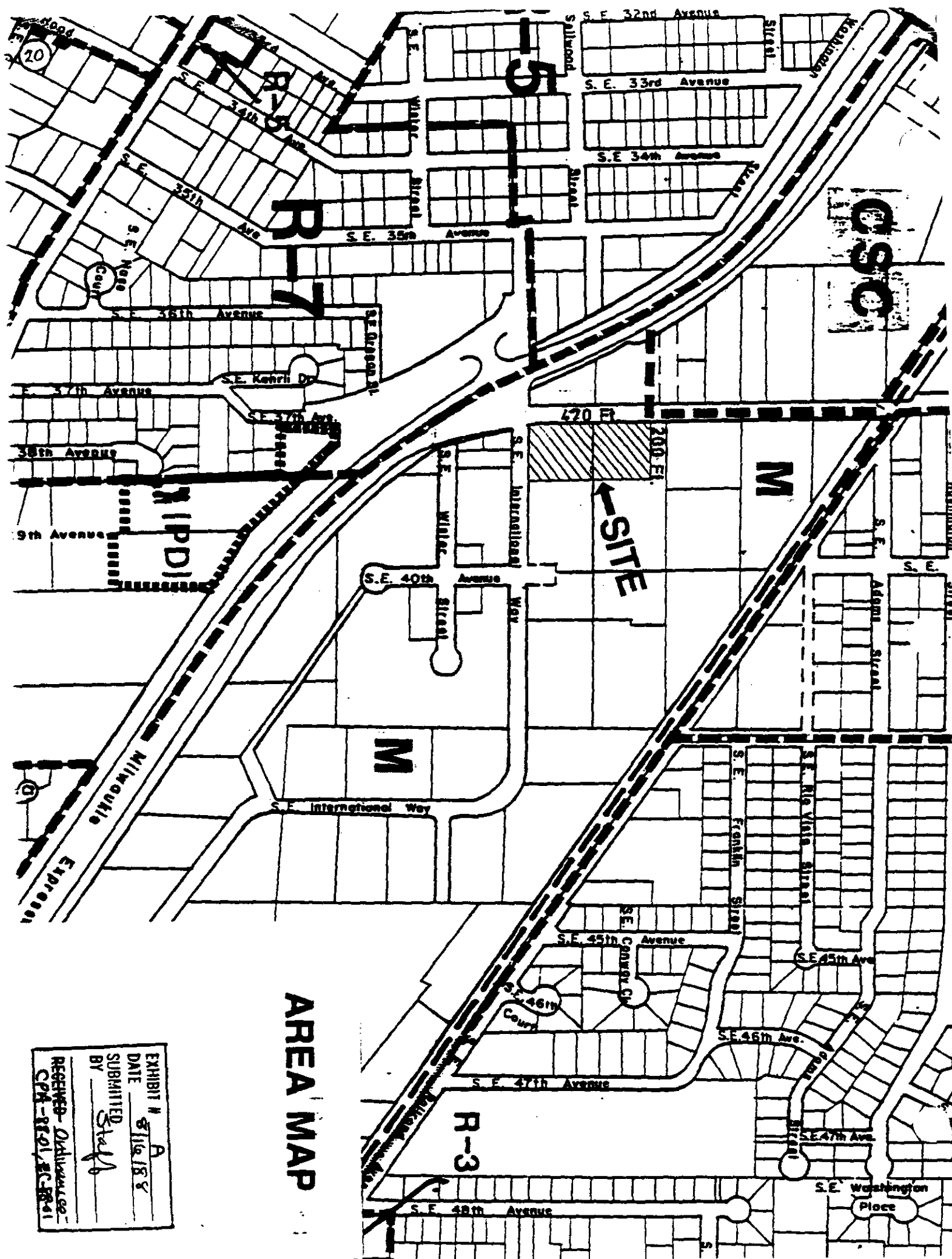
  
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Roger Hall, Mayor

ATTEST:

  
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Jerri Widner, City Recorder

Approved as to form:

  
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Tim Ramis, City Attorney



# AREA MAP

EXHIBIT #	A
DATE	5/16/88
SUBMITTED BY	Staff
RECEIVED - Ordinance	
CPA - R-01, EC-FB-01	